

FISCAL NOTE

SB 2859 - HB 3122

March 12, 2002

SUMMARY OF BILL: Adds *assistive community care services* to those services provided by Medicaid.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$50,507,000

Other Fiscal Impact - Increase Federal Expenditures - \$91,167,000

Estimate assumes:

- persons in Assisted Care Living Facilities and Residential Homes for the Aged would become eligible for Medicaid assistance. There are currently 351 facilities with 13,908 licensed beds.
- fifty percent of the current ACLF and RHA population would be eligible for Medicaid. Currently 75% of the nursing home population is Medicaid eligible.
- an average annual cost of \$9,000 for Residential Homes for the Aged and \$24,000 annually for Assisted Care Living Facilities.
- the Federal government will approve the addition of these services to the state Medicaid plan.
- no significant increase in cost for Medicaid inspections, since the Department of Health currently licenses and inspects these facilities.
- rates will be set on a *fee for service* basis rather than cost reimbursement. Cost reimbursement would necessitate an increase in facility financial audits performed by the Comptroller of the Treasury with an increased cost.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director